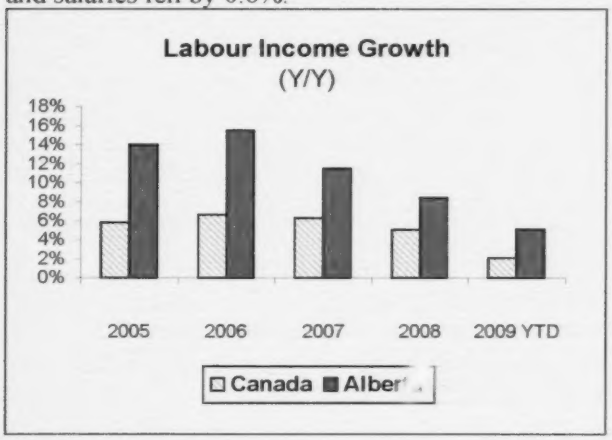
Labour Income

Income growth slows...

The value of total labour income in the province decreased slightly in the first quarter of 2009, down by 1.3% (seasonally adjusted) from Q4 2008. On a year-to-date basis, income grew by 3.6%, lower than the 8.2% growth seen last year. Alberta's decrease was led by a drop in supplementary labour income, which fell by 8.1% quarter-over-quarter, while wages and salaries fell by 0.6%.



Canadian Real GDP

Output contracts by less than expected...

Canada's real GDP contracted by less than predicted by the Bank of Canada in the first quarter, shrinking by 1.4% from Q4 2008 (5.5% annualized). One of the major contributors to the first quarter decline was consumer spending on goods and services, which fell by 0.4%, largely due to a 1.8% drop in spending on durable goods. Also, exports of goods and services fell by 8.7%.

In its scheduled policy update, the Bank of Canada announced that it would leave the overnight interest rate unchanged at 0.25%, where it is likely to remain until the second half of 2010. The BoC also stated that it is concerned about the recent appreciation of the Canadian dollar, stating that if the rise the dollar remains persistent, it could fully offset the increasingly positive recent economic developments.

⇩	**Canadian Dollar (US¢/CS)**	
	June 05, 2009	89.72
	May 29, 2009	91.23
	2009-10 YTD	85.25
⇧	**WTI Oil US$/bbl**	
	June 04, 2009	$ 68.81
	May 28, 2009	$ 65.08
	2009-10 YTD	$ 55.67
⇩	**Nymex Natural Gas CS/MMBtu ***	
	Near-month Contract	
	June 05, 2009	$ 4.16
	May 29, 2009	$ 4.51

* Estimate based on Nymex Futures Market Price

Building Permits

Value of permits recovering...

Contractors in Alberta took out over $742 million (seasonally adjusted) in building permits in April, up 6.7% from the previous month. The increase was largely caused by a 14.0% month-over-month jump in the value of residential permits, while non-residential permits grew by 0.8%. Despite the increase, the total value of permits in Alberta was down by 41.4% year-over-year.

Employment and Unemployment

Employment remains steady in Alberta...

The number of employed workers in Alberta increased slightly in May, by less than 0.1% (seasonally adjusted) month-over-month, but decreased by 1.1% year-over-year. Despite the steady levels of employment, a 0.7% increase in the labour force (reflecting both population and participation rate increases) pushed the province's unemployment rate to 6.6%. The Canadian unemployment rate also rose in May, to 8.4%, as the country shed 41,800 jobs. Alberta's average hourly wage rate also remained unchanged from April, but has increased by 5.0% year-over-year to $24.40.

U.S. loses fewer jobs than forecast...

Employment in the United States fell by 345,000 in April, the lowest number of job losses in eight months, a sign that the recession may be abating. However, the unemployment rate rose to 9.4% due to falling employment and a growing labour force.

Alberta

CURRENT ECONOMIC INDICATORS

June 5, 2009

Overall Economy		2007	2008	2009YTD*	Dec	Jan	Feb	Mar	Apr	May
Real GDP (in 2002 $billions)		187.5	187.0	--	--	--	--	--	--	--
% change		3.1	-0.2	--	--	--	--	--	--	--
Nominal GDP ($ billions)		258.9	291.7	--	--	--	--	--	--	--
% change		8.1	12.6	--	--	--	--	--	--	--
Population[1] (000's) (level)		3,511	3,585	3,632	--	3,632	--	--	--	--
% change		2.6	2.1	2.4	--	2.6	--	--	--	--
Net Interprovincial Migraton[1] (level)		33,809	10,010	11,125	--	6,198	--	--	--	--
Net International Migration[1] (level)		16,136	19,283	9,004	--	4,097	--	--	--	--
Net Non-permanent Residents[1] (level)		13,539	17,890	12,931	--	4,870	--	--	--	--
Labour Market										
Employment (000's)	NSA	1,959	2,013	1,982	2,023	2,026	2,002	1,987	1,993	1,993
% change		4.7	2.8	-0.3	1.5	1.2	0.2	-1.0	-0.9	-1.1
Unemployment Rate (%)	NSA	3.5	3.6	6.1	4.2	4.4	5.4	5.8	6.0	6.6
Average Hourly Wage Rate	NSA	6.0	5.7	4.7	4.1	6.2	4.5	3.6	4.3	5.0
Average Weekly Earnings[2]		5.8	6.0	6.0	6.3	7.0	5.4	5.6	--	--
Labour Income[3]	NSA	11.3	8.4	3.6	6.8	4.5	3.6	2.7	--	--
Price Indices										
Consumer Price Index		5.0	3.1	0.9	1.9	1.2	2.1	0.9	-0.7	--
Excluding food and energy		4.9	1.9	1.5	1.7	1.5	2.0	1.4	1.1	--
Non-Res. Const. Cost Index[4] (quarterly)		17.3	13.2	-1.0	8.8 (Q4)	--	--	-1.0(Q1)	--	--
Farm Product Price Index		14.3	11.1	-7.1	-4.7	-6.2	-7.9	--	--	--
Crops		41.4	26.3	-24.3	-20.7	-22.8	-25.7	--	--	--
Livestock		0.7	2.1	13.0	13.5	13.7	12.4	--	--	--
Household Sector										
Housing Starts (SAAR, 000's)		48.1	29.0	13.2	20.0	15.7	12.6	11.9	12.4	--
% change		-2.1	-39.7	-65.2	-48.3	-53.0	-59.4	-75.1	4.2	--
New Housing Price Index		22.5	0.7	-9.7	-6.1	-8.4	-9.6	-10.5	--	--
Edmonton		32.1	1.0	-12.1	-8.2	-10.4	-12.2	-12.3	--	--
Calgary		16.2	0.6	-7.3	-4.3	-6.5	-7.1	-8.7	--	--
MLS Average Resale Prices		24.3	-1.4	-9.1	-7.4	-10.0	-9.2	-10.4	-6.8	--
Edmonton		34.3	-2.0	-7.7	-5.7	-4.5	-8.7	-10.1	-7.4	--
Calgary		18.7	-2.9	-10.9	-9.4	-11.4	-10.8	-11.3	-10.1	--
Retail Sales		9.3	-0.1	-11.3	-7.7	-6.4	-13.4	-13.8	--	--
New Motor Vehicle Sales		3.3	-7.3	-30.1	-23.6	-22.5	-35.4	-31.9	--	--
Business Sector										
Public and Private Investment[5]		9.1	3.6	-14.0	--	--	--	--	--	--
Mining and oil and gas[5]		0.3	-1.4	-28.2	--	--	--	--	--	--
Rigs Drilling		-35.2	-2.1	-43.8	-10.2	-24.4	-43.9	-60.8	-42.0	--
Goods Exports (customs based)		5.3	33.2	-28.7	-7.9	-27.3	-30.2	--	--	--
Energy		4.4	40.9	-33.2	-7.9	-31.5	-35.1	--	--	--
Agriculture		9.8	28.6	0.0	16.8	-3.4	3.6	--	--	--
Total Farm Cash Receipts (quarterly)		11.9	15.2	--	8.5 (Q4)	--	--	--	--	--
Manufacturing Shipments		1.9	6.9	-13.9	-8.2	-13.4	-14.6	-13.8	--	--
Wholesale Trade		5.0	10.9	-2.1	13.6	4.5	-6.1	-4.2	--	--
Building Permits	NSA	13.4	-16.5	-48.6	-29.1	-52.5	-67.5	-29.8	-41.4	--
Residential		10.7	-31.5	-55.0	-37.2	-67.0	-72.5	30.5	-44.0	--
Non-residential		17.1	3.7	-42.1	-21.4	-40.2	-62.9	-19.2	-38.7	--

Government of Alberta
Finance and Enterprise

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30). The January population estimate is also the 2009 year-to-date value.

[2] The average weekly earnings series was extensively revised on March 31, 2009 and is no longer comparable with numbers in previous Bulletins

[3] Total income earning in Alberta including wages and salaries, and supplementary income.

[4] Average of Calgary and Edmonton.

[5] 2009 based on initial investment intentions, 2008 preliminary actuals, and 2007 actuals

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Spring 2009)											
Real GDP Growth											
2008 (actuals, Statistics Canada)	***0.5%***	-0.1%	0.9%	2.0%	-0.0%	1.0%	-0.4%	2.4%	4.4%	**-0.2%**	-0.3%
2009 NEW!	***-1.7%***	-5.0%	-0.2%	0.4%	5.0%	-0.9%	-24.0%	1.0%	0.2%	**-2.4%**	-1.8%
2010	***2.5%***	1.0%	1.7%	1.5%	2.2%	1.8%	2.5%	2.4%	3.2%	**2.9%**	3.3%
Population (As of January 1, 2009)											
Population	**33,504,680**	508,990	140,402	939,531	748,319	7,782,561	12,986,857	1,213,815	1,023,810	**3,632,483**	4,419,974
Annual Growth Rate[a]	***1.21%***	0.24%	1.25%	0.25%	0.23%	0.86%	1.05%	1.11%	1.50%	**2.58%**	1.70%
Net Interprovincial Migration											
2008 Census Year (July 1, 2007 to June 30, 2008)		1,299	42	-117	-325	-12,399	-16,522	-503	8,067	**10,010**	11,458
4th Quarter (October 1, 2008 to December 31, 2008)		292	-503	108	264	-2,139	-6,517	249	949	**6,198**	1,453
Employment											
Level Change (000s)[b]	**-337.5**	-13.2	-2.3	2.8	1.7	-14.7	-244.5	2.9	12.6	**-21.8**	-60.8
Percent Change[b] NEW!	**-2.0%**	-5.8%	-3.1%	0.6%	0.5%	-0.4%	-3.6%	0.5%	2.4%	**-1.1%**	-2.6%
Unemployment Rate, 2009 avg (SA)	***7.9***	14.8	12.2	8.9	8.9	8.2	8.7	4.8	4.7	**5.6**	7.0
Participation Rate, 2009 avg (SA)	***67.4***	58.9	67.6	64.5	64.7	65.4	67.5	69.3	70.5	**74.6**	65.9
Average Weekly Earnings											
March 2009	**824.98**	807.59	694.51	735.96	743.76	756.83	851.89	773.47	801.99	**971.07**	802.27
Y/Y Percent Increase[c]	**2.7%**	6.4%	6.3%	4.8%	3.5%	0.8%	2.6%	4.2%	3.1%	**5.6%**	2.0%
2009 Wage Settlements										**1.5%**	
CPI Inflation											
April Annual	**0.4%**	0.4%	-0.3%	-0.4%	-0.3%	0.3%	0.6%	0.9%	0.6%	**-0.7%**	0.3%
Excluding Shelter	**0.4%**	0.3%	1.2%	-0.4%	-0.3%	0.1%	0.5%	0.0%	-0.3%	**0.3%**	0.8%
Housing Starts (000s)											
SAAR April 2009	**117.4**	2.8	0.5	2.5	4.2	40.9	36.3	3.1	2.9	**12.4**	11.7
Retail Sales											
Percent Change[d]	**-4.9%**	3.8%	-1.1%	-4.7%	0.2%	0.7%	-2.7%	-4.5%	-3.3%	**-13.8%**	-12.3%
2009 YTD Retail Sales Growth	**-6.0%**	-0.8%	-2.8%	-4.8%	-2.2%	-3.0%	-5.0%	-4.5%	-2.9%	**-11.3%**	-10.6%
Manufacturing Shipments											
Percent Change[d]	**-14.5%**	-27.1%	9.1%	-12.9%	-25.8%	-15.4%	-14.5%	2.7%	-4.4%	**-13.8%**	-17.1%

a. Over the past 12 months
b. May 2009 Y/Y change, unadjusted for seasonal effects
c. Updated to January 2009
d. March 2009 Y/Y change, unadjusted for seasonal effects
SA-Seasonally Adjusted
Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada